declining exports several short term interventionist measures have been taken by the Government which include reduction in the export credit rate for both pre-shipment and post-shipment, special financial package to manufacturer exporters, extension of normal repatriation period upto 360 days and upward revision of Duty Drawback on a number of product groups, abolition of value caps in the case of DEPB for more than 400 export items. A medium term export strategy has been announced for the period 2002-07 which aims at achieving 1% of world exports by the year 2006-07. Besides these, Exim Policy for 2002-07 announced recently has also incorporated a number of measures to pro-activcly promote exports which *inter alia* include permitting offshore Banking units in Special Economic Zones, transport subsidy for export of certain agricultural products, development of centres of export excellence, additional support for electronic hardware exports, further reduction in transaction cost etc.

Argentina under watch category

3675. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have kept Argentina under watch category due to its economic failure;

(b) if so, whether the current economic crisis in Argentina has affected the bilateral trade relations;

(c) whether banks have been issued any directions for issuing letter of credit to traders for export to that country; and

(d) if so, what other steps are being considered by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) No, Sir.

(b) Bilateral trade is likely to be affected by the ongoing economic scenario of Argentina.

(c) and (d) Each banking institution has to evaluate the country risk and charge appropriate commission as per its risk perspection of the counter party including country risk. This (charging of commission) would vary in respect of letters of credit (L/Cs) opened in favour of importers importing goods and services from overseas territories. Similarly, charges on account of commission would vary while accepting LCs opened in favour of Indian exporters based on the counter party and country risk evaluation. The banks arc, therefore, required to keep close watch on the emerging economic conditions of the countries with which their customers deal as laid down in the risk management procedures practiced by them.

Shortcomings in New EXIM Policy

†3676. SHRI JANESHWAR MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that it is impossible to achieve the set export target due to several types of shortcomings in Government's New EXIM Policy;

(b) if so, the details thereof;

(c) whether it is also a fact that the main categories of producers in the countries have asked Government to be cautious of the losses which are going to occur to the country due to these shortcomings; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) to (d) The government is optimistic of achieving the export target of 1% of the global trade in 2007-by initiating certain measures in the new EXIM Policy such as recognising towns of export excellence; removal of all exports restrictions barring a few sensitive items; transforming specified rural regions as regional rural motors through the concept of the Agricultural Export Zones; permitting facilities

†Original notice of the question was received in Hindi.